

RENEWABLE ENERGY CREDITS ANOTHER OPTION IN YOUR RENEWABLE ENERGY PORTFOLIO

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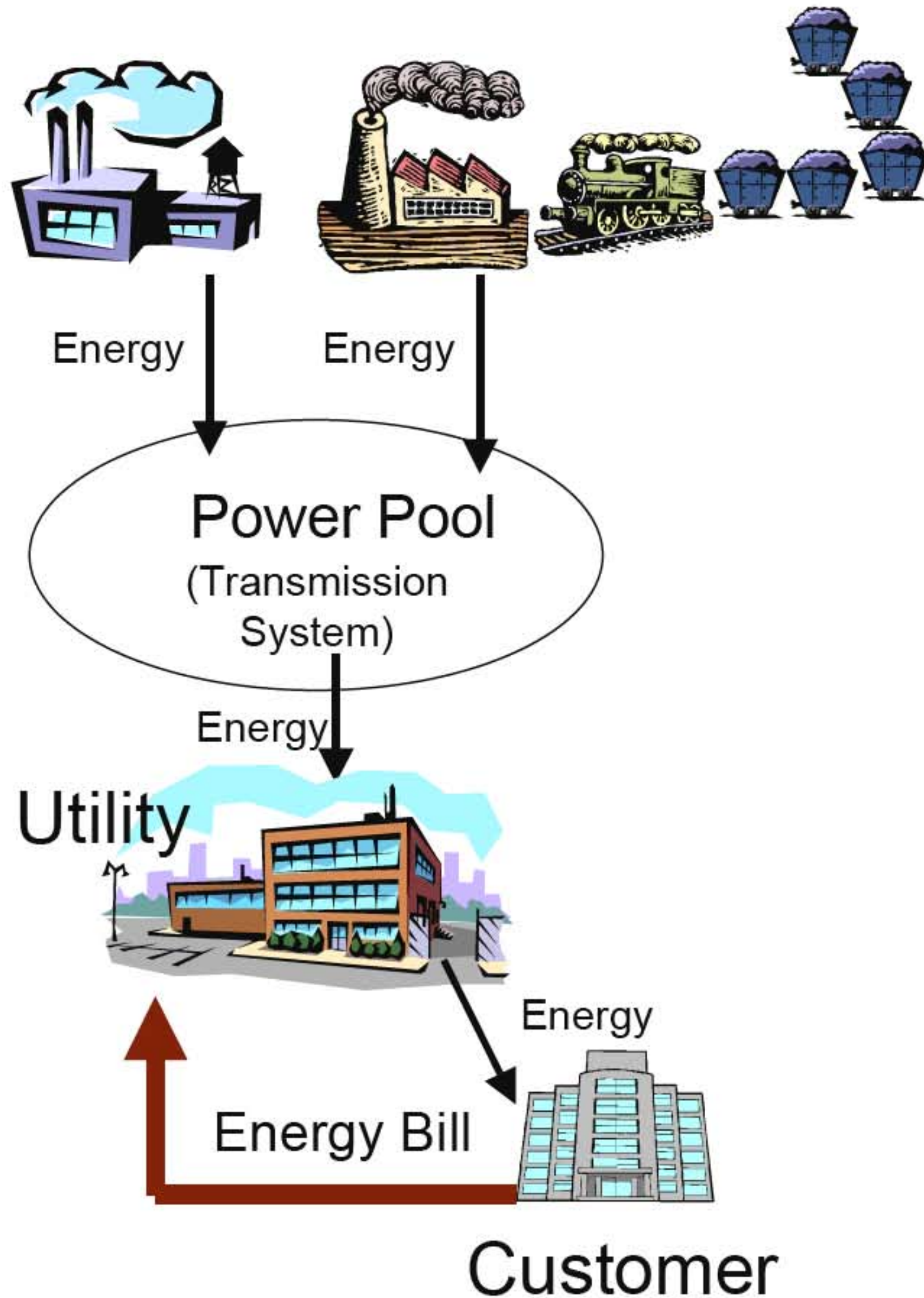
What is a Renewable Energy Credit (REC)?

- **A Renewable Energy project produces 2 distinct products:**
 - **Electricity**
 - **Environmental Attributes (Benefits)**
- **Renewable Energy Credits (REC's) are the package of environmental benefits**
- **Electricity is sold separately as generic energy into the local grid where the project is located**

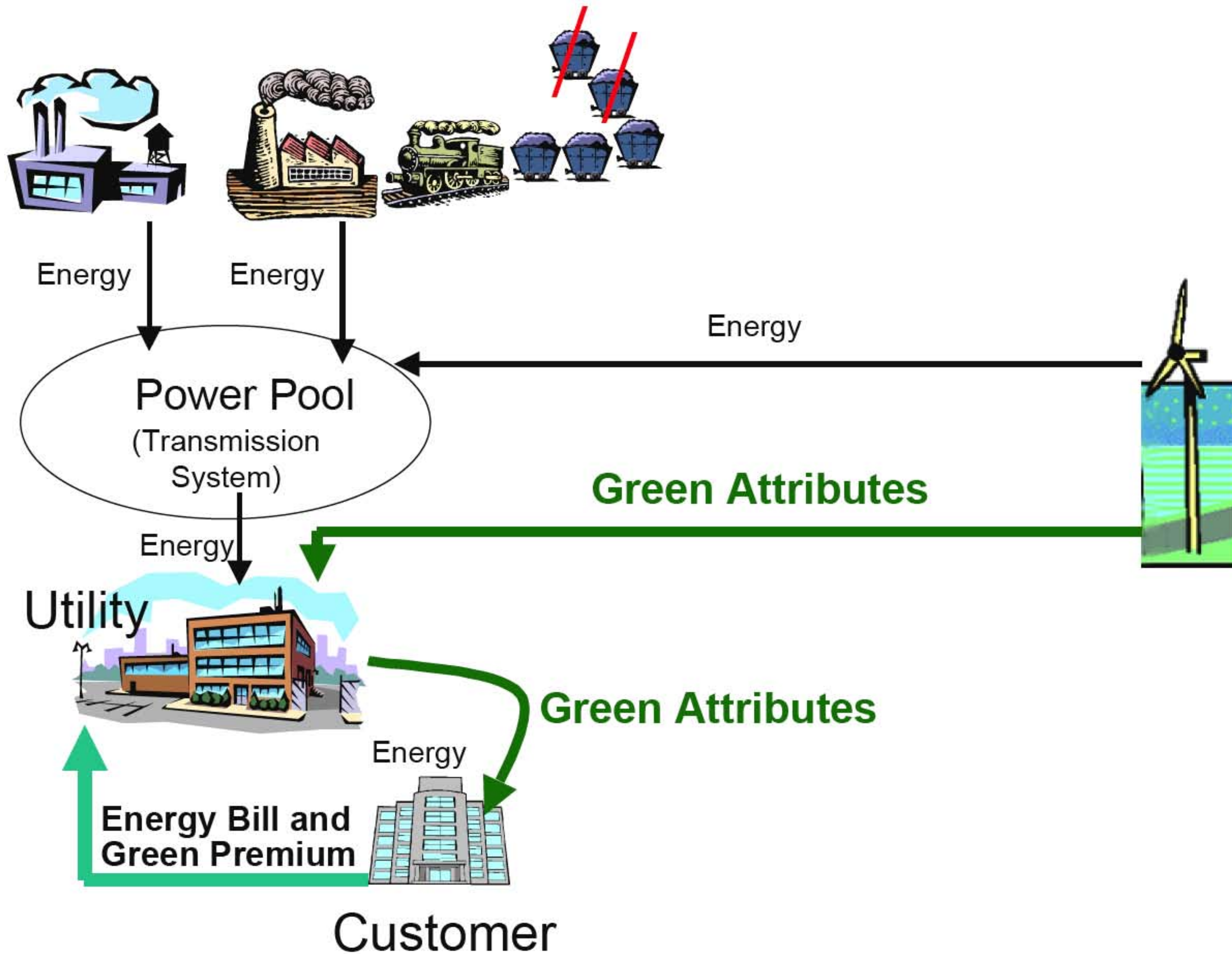
What Are Renewable Energy Credits?

- **“In a REC deal, the power from the new renewable energy facility is not physically delivered to the customer, but the environmental benefits created by the facility are attributed to that customer, directly offsetting the environmental impact of the customer’s conventional energy use.” --Bonneville Environmental Foundation**

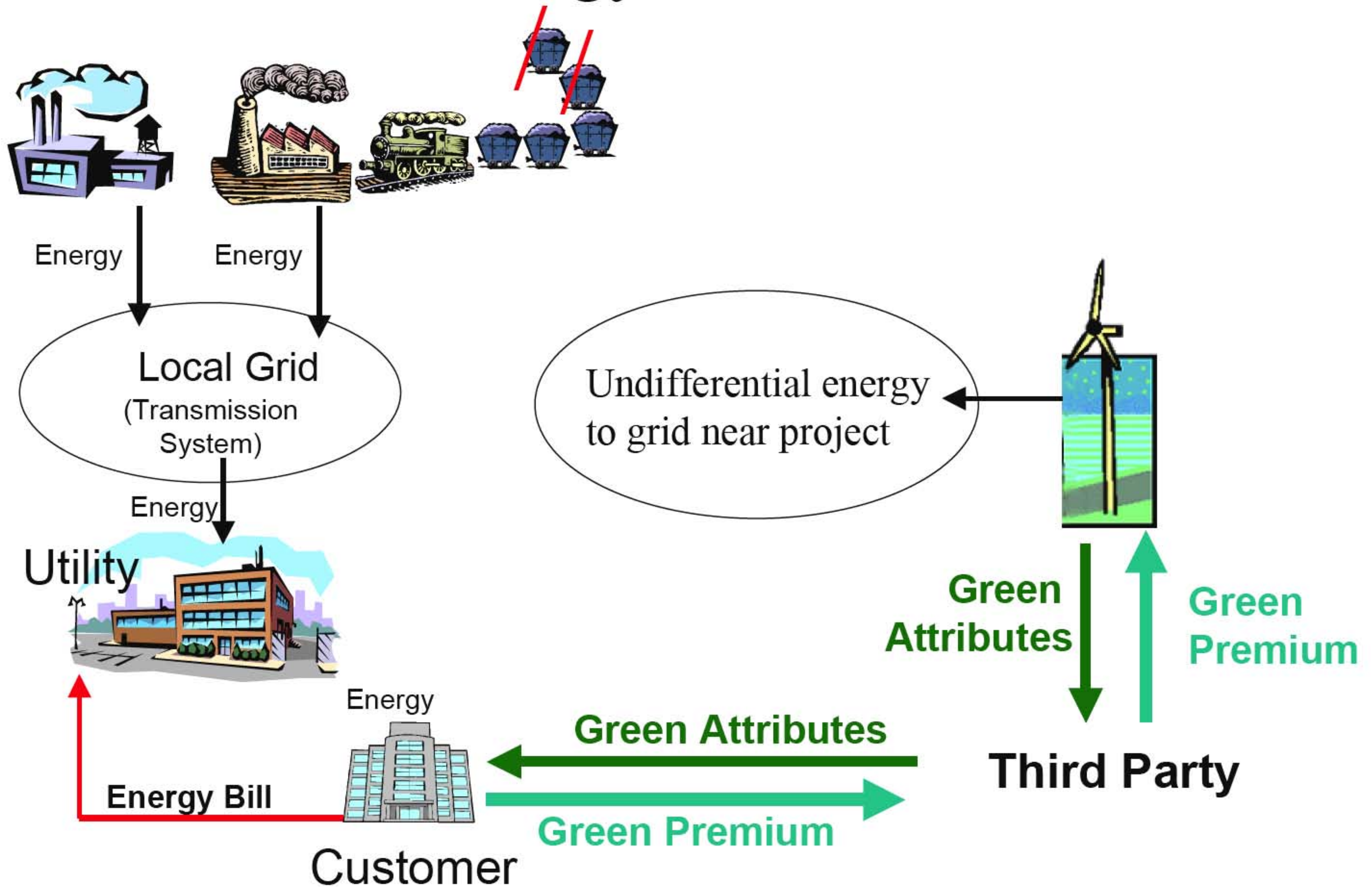
Traditional Power Transaction



Green Power Transaction



Renewable Energy Credit Transaction



Why Would a Utility Offer Renewable Energy Credits?

- **If there's a market demand for it (WAPA)**
- **Speculation (PG&E Generation)**
- **Customer can make one big high-profile purchase (Bonneville)**

Why Do Customers Choose REC'S?

- Sometimes a cheaper premium
- Easier transaction, especially for large multi-state corporations and institutions
- Able to quantify emissions for possible trading
- Supports generation of 100% *NEW* renewable power(RE)*

* as opposed to green power products that often blend clean power, existing RE and a small percentage new RE.

GREEN POWER & REC's -- OPPORTUNITIES

- **Green Power can help hedge against utility cost increases**
- **Meet EO 13123 requirements EARLY**
- **Innovative energy initiative for new team**
- **New domestic clean generation**
- **Generation can be optimally located**
- **Work with DOE/FEMP to obtain lowest costs and minimal transaction hassles**

SUMMARY

- **You are NOT limited to renewable energy resources or green power products available locally**
- **Renewable Energy Credits are a viable alternative in your RE portfolio – may be your least-cost option**